

Washington, D.C. - As part of their ongoing efforts to bolster the small business community, the nation's leading engine for economic growth, Congresswomen Kathy Dahlkemper (PA-03) and Melissa Bean (IL-08) today introduced The Express Loans Improvements Act, H.R. 4598, to increase the availability and utility of SBA Express loans, a vital source of working capital for small businesses.

"Small businesses create roughly 80 percent of America's new jobs," Bean said. "At the same time that we're counting on these small businesses to drive our economic growth, the lingering effects of the financial crisis have reduced credit options for local employers. This proposal will help our community banks restart lending to credit-worthy businesses, while also ensuring taxpayers are protected."

"Small businesses are the foundation of our economy; when small businesses succeed, they create jobs and opportunities in our communities. The tight credit market has limited small businesses' ability to grow and create new jobs in the process. This plan will give small businesses better access to credit and help community banks provide the lending our local economies need to prosper," Rep. Dahlkemper said.

The Express Loans Improvement Act would make changes to the Small Business Administration's Express Loan program, which gives an established network of lenders greater loan approval responsibility with less bureaucracy and shorter approval times. Under current law, the SBA guarantees up to 50 percent of the loan and the maximum loan size is \$350,000.

The Dahlkemper-Bean proposal would raise guarantees to 75 percent for two years to address the immediate credit crunch, then to 60 percent in subsequent years, while raising the maximum Express loan value to \$1 million. These changes are similar to changes made to the SBA's 7(a) and 504 loan programs earlier this year, which contributed to a 79 percent increase in weekly loan volumes in those programs.

To protect taxpayers, the bill directs the SBA to strengthen collateral rules and requires annual reporting to Congress on progress towards default rate reduction.

The Express Loans Improvement Act has been endorsed by the U.S. Chamber of Commerce, the National Association of Government Guaranteed Lenders, Small Business Council of America, American Bankers Association, the American Small Business League, and the Independent Community Bankers of America

"The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, supports H.R. 4598," a Chamber letter said. "Improvements to the Express Loan Program will allow small businesses to do what they do best, which is grow our economy and create new jobs."

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